

AN ORDINANCE 2006-06-08-0695

**APPROVING THE CREATION OF A LOCAL GOVERNMENT CORPORATION TO BE CALLED THE CITY OF SAN ANTONIO WESTSIDE DEVELOPMENT CORPORATION (WDC); ESTABLISHING THE BOARD STRUCTURE; APPROPRIATING FUNDS; ESTABLISHING A BUDGET; AND APPROVING A PERSONNEL COMPLEMENT.**

\* \* \* \* \*

**WHEREAS**, the creation of a local government corporation is being proposed to focus on the economic revitalization in a designated area through the collaboration of participating organizations; and

**WHEREAS**, approval of an ordinance is requested to create the City of San Antonio Westside Development Corporation (the "WDC") to focus economic development and redevelopment opportunities in an area which has had less public investment and fewer economic development incentives than other areas of the City; and

**WHEREAS**, in addition, the WDC will function as a land development corporation which has the power to buy, sell and accept land as a non-profit without the restrictions placed on a municipality, thus facilitating development initiatives involving the public and private sectors; and

**WHEREAS**, an at-large Board of Directors nominated by a City Council committee and appointed by City Council, and representatives of key stakeholders and Westside advocates, will be the policy-setting oversight authority for the WDC, comprised of seventeen (17) members; and

**WHEREAS**, the WDC will implement initiatives of the 2005 Urban Land Institute ("ULI") Study of the Avenida Guadalupe Corridor, including the creation of a Community Action Committee ("CAC") to be comprised of neighborhood, institutional and professional stakeholders and consultants to oversee redevelopment efforts within the targeted area and to assist with community and neighborhood planning efforts; and

**WHEREAS**, a CAC, which is proposed to be created as an ad-hoc subcommittee structure of the WDC with the assistance of the partnership of the Economic Development, Planning and Neighborhood Action Departments, will provide guidance and oversight of the planning and investments undertaken in the WDC target area; and

**WHEREAS**, a Senior Special Projects Manager and a Senior Economic Development Specialist will be added to provide staff support to the Board and will be housed with the Economic Development Department and managed by the Director; and

**WHEREAS**, an initial two-year allocation of \$600,000 will be transferred from the City's Revitalization Fund established in 2000 for inner-city revitalization from proceeds as a result of the CPS Energy leaseback transaction to support operating costs, market studies, and these two staff positions for a two-year period; and

**WHEREAS**, this initial funding will be utilized as potential matching requirements of other funding sources such as the Making Connections San Antonio initiative and other private corporate foundations; and

**WHEREAS**, upon completion of the first year of WDC operations, staff will evaluate funding options for support beyond fiscal year 2008 with the WDC envisioned to become a self-supporting non-profit entity modeled after the Port Authority of San Antonio or the Brooks Development Authority; and

**WHEREAS**, approval of the structure of the board of directors, the appropriation of funding and the establishment of two staff positions is being requested, with the approval of the Articles of Incorporation, the By-Laws and the appointment of board members to be done at a later Council meeting in August; **NOW THEREFORE:**

**BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:**

**SECTION 1.** The City Council approves the creation of the local government corporation to be called the City of San Antonio Westside Development Corporation ("WDC").

**SECTION 2.** The Board of Directors for the WDC shall be nominated by a City Council committee made up of representatives from Districts 1, 5, 6 and 7 in the following number and categories:

Major business owner (1)	University representation (3)
Small business owners (4)	Non-profit organization (1)
Financial institution (1)	Housing developer (1)
University Center for Community Health (1)	Edgewood Independent School District (1)
Faith-based organization (1)	Neighborhood residents (2)
San Antonio Independent School District (1).	

**SECTION 3.** City Council members from Districts 1, 5, 6 and 7 will serve as ex-officio, non-voting members of the Board and the Executive Board.

**SECTION 4.** Funds in the amount of \$600,000 are authorized to be appropriated and transferred from Fund 29077000, JOB TRAINING NEIGHBORHOOD REVITALIZATION (General Ledger 6102100 and Internal Order 390000000456) to Fund 29644000, Westside Development Corporation (General Ledger 6101100 and Internal Order 311000000456).

**SECTION 5.** The amount of \$15,000 is appropriated in Fund 29644000, Cost Center 1606010001, and General Ledger 5201040, Fees to Professional Contractors (\$14,000) and General Ledger 5302010, Office Supplies (\$1,000) for the FY06.

**SECTION 6.** The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director of Finance may, subject to concurrence by the City Manager or the City Manager's designee, correct allocations to specific SAP Fund Numbers, SAP Project Definitions, SAP WBS Elements, SAP Internal Orders, SAP Fund Centers, SAP Cost Centers, SAP Functional Areas, SAP Funds Reservation Document Numbers, and SAP GL Accounts as necessary to carry out the purpose of this Ordinance.

**SECTION 7.** The following is a planned budget subject to future City Council appropriation:


**WESTSIDE DEVELOPMENT CORPORATION BUDGET**

Items	Planning Year One		Planning Year Two
	Aug-Sept	Oct-Sept	Oct-Sept
Personnel		\$126,432	\$129,757
Contractual Services	\$14,000	\$147,381	\$165,126
Commodities	\$1,000	\$3,046	\$4,046
Capital Outlay		\$8,141	\$1,071
Total	\$15,000	\$285,000	\$300,000


**SECTION 8.** A personnel complement is approved for a Senior Special Projects Manager and a Senior Economic Development Specialist.

**SECTION 9.** This ordinance shall be effective on the tenth (10th) day after passage.

**PASSED AND APPROVED** this 8<sup>th</sup> day of June 2006.

  
**M A Y O R**  
**PHIL HARDBERGER**

**ATTEST:**

  
\_\_\_\_\_  
City Clerk

**APPROVED AS TO FORM:**

  
for \_\_\_\_\_  
City Attorney

# Agenda Voting Results

**Name:** 19.

**Date:** 06/08/06

**Time:** 03:42:08 PM

**Vote Type:** Multiple selection

**Description:** An Ordinance approving the creation of a local government corporation to be called the City of San Antonio Westside Development Corporation; establishing the board structure; appropriating funds; establishing a budget; and approving a personnel complement. [Presented by Ramiro Cavazos, Director, Economic Development; Jelynn LeBlanc Burley, Deputy City Manager]

Voter	Group	Status	Yes	No	Abstain
ROGER O. FLORES	DISTRICT 1		x		
SHEILA D. MCNEIL	DISTRICT 2		x		
ROLAND GUTIERREZ	DISTRICT 3		x		
RICHARD PEREZ	DISTRICT 4		x		
PATTI RADLE	DISTRICT 5		x		
DELICIA HERRERA	DISTRICT 6		x		
ELENA K. GUAJARDO	DISTRICT 7		x		
ART A. HALL	DISTRICT 8		x		
KEVIN A. WOLFF	DISTRICT 9		x		
CHIP HAASS	DISTRICT_10	Not present			
MAYOR PHIL HARDBERGER	MAYOR		x		

Agenda Item #19

**CITY OF SAN ANTONIO  
ECONOMIC DEVELOPMENT DEPARTMENT  
CITY COUNCIL AGENDA MEMORANDUM**

**TO:** Sheryl Sculley, City Manager

**FROM:** Ramiro A. Cavazos, Director

**SUBJECT:** Request for Council Consideration of the Creation of the City of San Antonio Westside Development Corporation

**DATE:** June 8, 2006

**SUMMARY AND RECOMMENDATIONS**

The creation of a local government corporation is being proposed to focus on the economic revitalization in a designated area through the collaboration of participating organizations. Approval of an ordinance is requested to create the City of San Antonio Westside Development Corporation (WDC) to promote economic development and redevelopment opportunities in an area which has had less public investment and fewer economic development incentives than other areas of the City. In addition, approval of the structure of the board of directors is being requested as well as the appropriation of funding and the establishment of two staff positions.

The approval of the Articles of Incorporation, the By-Laws and the appointment of board members will be done at a later Council meeting in August.

**BACKGROUND INFORMATION**

The purpose of the Westside Development Corporation is to focus economic development efforts and to get the community more involved and organized in order to address major economic challenges in a targeted area on the Westside of San Antonio. The corporation will seek to generate new capital investment, create more and higher paying jobs, and improve the poverty level in the area. In addition, the WDC will function as a land development corporation which has the power to buy, sell and accept land as a non-profit without the restrictions placed on a municipality. This will facilitate the collaboration between public and private projects. The Economic Development Department will collaborate with the Planning and Neighborhood Action Departments to coordinate new and on-going corridor and community planning efforts, and to further enhance this large-scale redevelopment effort. A Council appointed board of directors representative of key stakeholders and Westside advocates will be the policy setting body for the WDC.

The City Attorney's Office has researched the most appropriate authorizing legislation under which to create this governmental corporation. The WDC is being proposed under Subchapter D of the Texas Transportation Code, which authorizes the creation and outlines the powers of a local government corporation to accomplish any governmental purpose of the City. Section 394 of the Local Government Code outlines the composition of the Corporation Board. Periodic reviews of the

corporation and quarterly performance reports will be presented to the City of San Antonio Economic Development and International Affairs City Council Committee.

The targeted area encompasses approximately 7,700 acres and has more than 100,000 residents. The area includes sections of four City Council Districts and is roughly defined as the area bounded by Highway 90 on the South; Acme Road on the West; Cincinnati St. to Woodlawn Avenue and extending up to Fredericksburg Road on the North; and Fredericksburg Road south to Flores St. and up to IH-35 on the East. In addition, commercial areas adjacent to the targeted area may also be included for potential economic development projects as well as non-contiguous parcels of land where appropriate.

The majority of the targeted area is within a federally designated Empowerment Zone. San Antonio was designated as a Round III Empowerment Zone community in January 2002. The designation remains in effect through 2009. The Zone is designed to encourage and promote economic development and improve employment opportunities in distressed communities by leveraging private investment through tax incentives. San Antonio's Empowerment Zone area includes 27 census tracts with high poverty and unemployment rates. All the census tracts in the area have at least a 20% poverty rate, and at least 90% of census tracts have at least a 25% poverty rate. The area is also primarily residential. In addition, receiving such a designation allows for increased tax incentives to area businesses and has given the City the opportunity to enhance the quality of life for families living in this distressed area.

Statistics show that only 24% of the area residents graduate from high-school, and only 2% go on to earn a bachelors degree. In addition, the unemployment rate is an average of 13%, while the median household income is \$22,000 and the per capita income is \$9,000. There is clearly a need to address the issues and focus economic development efforts in this area.

## **POLICY ANALYSIS**

The proposed corporation will implement initiatives presented in the 2005 Urban Land Institute (ULI) Study of the Avenida Guadalupe Corridor. The ULI Study was to identify ways to revitalize the Corridor located within the targeted area. It will also utilize data collected by the Making Connections San Antonio initiative (an initiative of the Annie E. Casey Foundation) and maximize development incentives offered through the Federal Empowerment Zone designation.

One of the recommendations of the ULI Advisory Report for the Avenida Guadalupe Corridor was to create a Community Action Committee (CAC) to be comprised of neighborhood, institutional and professional stakeholders and consultants to oversee redevelopment efforts within the targeted area and to assist with community and neighborhood planning efforts.

The function of a CAC could be to provide a model for corridor revitalization implementation efforts throughout the WDC target area. Created as an ad-hoc subcommittee structure of the WDC, a CAC will be able to provide a detailed level of guidance and oversight for targeted planning and investments in the area. The Economic Development Department has partnered with both the Planning and Neighborhood Action Departments to create the CAC as an "implementation arm" of the WDC for targeted corridors. In addition, the Neighborhood Action Department and Planning Department will provide technical assistance and leadership to this community development effort.

The at-large policy oversight authority will be provided by a City Council-appointed board of directors comprised of seventeen (17) members. The role of this board will be to provide policy oversight regarding any of the initiatives of the Westside Development Corporation. Board members will be nominated by a City Council Committee made up of the representatives of the respective districts in a manner similar to the Downtown Advisory Board. Proposed membership categories include:

Major business owner (1)	University representation (3)
Small business owners (4)	Non-profit organization (1)
Financial institution (1)	Housing developer (1)
University Center for Community Health (1)	Edgewood Independent School District (1)
Faith-based organization (1)	Neighborhood residents (2)
San Antonio Independent School District (1)	

Members from City Council District 1, District 5, District 6 and District 7 will serve as ex-officio, non-voting members of the board and the executive board. In addition, the aforementioned board will nominate and select officers that will make up the Executive Board of officers. These positions include the Chair, Vice-Chair, Secretary and Treasurer. The immediate past-chair will also be part of this Executive Board.

The WDC will collaborate with area organizations involved in community development and related activities. Partnering organizations include the San Antonio Independent School District, Edgewood Independent School District, Our Lady of the Lake University, St. Mary's University, University of Texas at San Antonio, Bexar County University Health Systems, Avenida Guadalupe Association, Mexican American Unity Council, Making Connections San Antonio (an initiative of the Annie E. Casey Foundation), and the Edgewood Community Development Corporation.

An initial task of the WDC is to develop a comprehensive economic development strategic plan for the targeted area. The plan will encompass long-term goals and objectives, and short-term activities necessary to spur development, new investment, and revitalization throughout the targeted area.

In addition to land use, zoning, housing, neighborhood and transportation information available from the City's Planning and Neighborhood Action Departments on specific areas, the WDC effort will entail contracting services to conduct a real estate study and market assessment for the targeted area. The WDC will create a web-based real estate directory to provide potential investors and real estate developers with information on potential and upcoming investment and development opportunities.

### **FISCAL IMPACT**

This ordinance will approve the creation of the WDC, establishment of the board structure, appropriation of funds, establishment of a budget and the approval of a personnel complement. The initial two-year allocation of \$600,000 will be transferred from the City's Revitalization Fund established in 2000 for inner-city revitalization from proceeds as a result of the CPS Energy leaseback transaction. This funding will support operating costs, market studies, and two staff positions for a two-year period. A Senior Special Projects Manager and a Senior Economic Development Specialist will provide staff support to the board and will be housed with the Economic Development Department and managed by the Director.

In addition, this initial funding will be utilized as leverage for additional funding requests from other sources for the purpose of targeted economic development. Initial discussions have taken place for the

purpose of securing matching funds from the Making Connections San Antonio initiative and other private corporate foundations. Other organizations will be approached with requests to provide matching funds to support this effort.

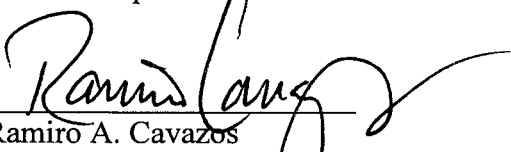
Upon completion of the first year of WDC operations, staff will evaluate funding options for support beyond fiscal year 2008. The WDC is envisioned to become a self-supporting non-profit entity modeled after the Port Authority of San Antonio or the Brooks Development Authority.

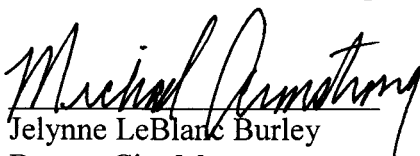
#### **Westside Development Corporation Budget**

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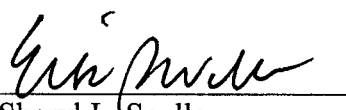
#### **COORDINATION**

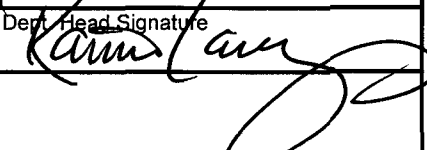
The Economic Development Department coordinated this item with the Planning Department, Neighborhood Action Department, City Attorney's Office, Office of Management and Budget, and the Finance Department.

  
 Ramiro A. Cavazos  
 Director, Economic Development Department

  
 Jelynn LeBlanc Burley  
 Deputy City Manager

Approved for Council Consideration:

  
 Sheryl L. Sculley  
 City Manager

DO NOT TYPE IN THIS SPACE		<b>CITY OF SAN ANTONIO</b>  <b>Request For Ordinance/Resolution</b>		Consent <input type="checkbox"/> Individual <input type="checkbox"/> Item No: <b>19</b> Ord. No.:	
<b>Approval</b>					
Finance	Budget				
Legal L. Haby 7-6909	Coordinator				
Date:	Department: Economic Development	Contact Person/Phone #: Ramiro A. Cavazos / 207-8040			
Date Council Consideration Requested: June 8, 2006	Deadline for Action: June 8, 2006	Dept. Head Signature 			
<b>SUMMARY OF ORDINANCE</b>  <p>An ordinance approving the creation of a local government corporation to be called the City of San Antonio Westside Development Corporation (WDC); establishing the board structure; appropriating funds; establishing a budget; and approving a personnel complement.</p> <p style="text-align: center;">Council Memorandum Must be Attached To Original</p>					
Other Depts., Boards, Committees Involved (please specify):  The Planning Department, Neighborhood Action Department, City Attorney's Office, Office of Management and Budget, and the Finance Department.					
Contract signed by other party <div style="text-align: right;">Yes <input type="checkbox"/> No <input type="checkbox"/></div>					
<b>FISCAL DATA (If Applicable)</b>					
Amount Expended		Funds/Staffing Budgeted Yes <input type="checkbox"/> No <input type="checkbox"/> Positions Currently Authorized Yes <input type="checkbox"/> No <input type="checkbox"/>  Impact on future O & M If positions added, specify Class and Job No.			
Fund	SAP GL Account				
*Cost Center					
*Internal Order No.	*WBS (Capital Proj.)				
*(Fill out only the field that is appropriate to your council action.) Comments:		Please submit 3 copies with your original			